



The Insolvency
Service

Insolvency Practitioner Regulation Section
16th Floor
1 Westfield Avenue
Stratford
London
E20 1HZ

Email: Dear.IP@insolvency.gov.uk
www.gov.uk/government/organisations/insolvency-service

DEAR INSOLVENCY PRACTITIONER Issue 137 – September 2021

Dear Reader

Please find enclosed the latest articles from HMRC.

In this issue:	
Information/Notes page(s):	
Chapter 8	Crown Departments
Article 32	Update on HMRC service levels
Article 33	Insolvency Practitioner appointments

32) Update on HMRC service levels

You will be aware of continuing delays to some of HMRC's services, which are affecting Insolvency Practitioners (IPs) who are:

- Notifying insolvencies
- Submitting paper returns
- Requesting repayments
- Waiting for confirmation that matters are concluded.

HMRC apologises for these delays and assure you that it is working hard to bring service levels back to normal.

The delays have happened as a result of issues with a new IT platform and delivering the COVID support schemes.

In recent weeks HMRC has taken steps to improve its processes and increase the number of colleagues supporting insolvency activity, and service levels are improving.

HMRC hopes to be back to the under thirty days level of service you experienced before COVID for:

- Raising of Members Voluntary Liquidations cases during September
- VAT426 claims service by the end of October

As a result of the training and support required for the additional colleagues, you may experience temporary disruption to the availability of phone lines. HMRC will notify you in advance of any temporary service disruption.

In the short-term, HMRC would ask you to continue to only contact Enforcement & Insolvency Services (EIS) for urgent and new cases.

HMRC has seen a significant number of calls asking for progress updates on cases. HMRC fully understands why this is, but the time it spends on progress chasing means it has less time to work through the original requests.

The following EIS phone lines are up-and-running if you or your clients need further support:

Individual Bankruptcy	0300 3229242
CVL/Compulsory Liquidation	0300 3229241
Members Voluntary Liquidation	0300 3227815
Post Insolvency VAT	0300 3227018
VAT426 Team	0300 3229246

In addition to the activity outlined above, HMRC is also making sure it has enough support for insolvency related workloads going forward as it plans for the ongoing financial impacts of Coronavirus on insolvencies in 2022 and 2023.

Thank you in advance for your continued patience and understanding.

33) Insolvency Practitioner appointments

HMRC is occasionally contacted by Insolvency Practitioners (IPs) or their agents seeking appointment in insolvency cases where there are no tax compliance issues or active HMRC investigations. HMRC will only consider requests for nomination in these cases where it can be shown that the appointment of an IP will lead to an increased return to creditors.

Following the introduction of the Insolvency Proceedings (Fees) Order 2016, fees are now charged by the Official Receiver on all cases. Any IP seeking HMRC support for their appointment will need to demonstrate that their appointment will lead to an increased return to HMRC as a creditor after these fees and their own fees and expenses have been considered.

Any requests for nomination as trustee or liquidator in ‘non-compliance’ cases should be sent to ipnominationrequests@hmrc.gov.uk.

You should include the following statutory information:

- Name of company or individual
- Company registration Number (CRN) or any known tax references
- Date of insolvency
- Name and licence number of the IP(s) seeking nomination
- Details of the potential recoveries
- A clear explanation as to the benefit to creditors of the appointment
- A forecast of the anticipated increased return.

This explanation should be case specific, and where possible supported by evidence. In addition, the case should have been discussed with the Official Receiver and their consent to being replaced obtained. Requests for fee approval following any successful appointment will be reviewed on a case by case basis, and support for appointment does not guarantee HMRC approval of fee requests.

HMRC will also continue to review nomination requests where third party evidence or information suggests that a tax or insolvency compliance intervention may be warranted. Such cases should also continue to be sent to ipnominationrequests@hmrc.gov.uk.

However, if a referral relates to suspected fraud or organised criminality then the matter should be referred to HMRC’s fraud investigation specialists at externalfiscivilrecovery@hmrc.gov.uk.

Where debts in an insolvency have arisen through the use of marketed avoidance then referrals should be sent to fisecinsolvencyexternalcounteravoidance@hmrc.gov.uk.

If you have any questions about the content of this bulletin, please raise them with R3 or your authorising body who will contact HMRC to take forward.